

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

FTX TRADING, LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Objection Deadline:
April 4, 2024, at 4:00 p.m. (ET)

**SUMMARY OF THIRD MONTHLY FEE STATEMENT OF EVERSHEDS
SUTHERLAND (US) LLP, AS LEAD COUNSEL FOR THE AD HOC COMMITTEE
OF NON-US CUSTOMERS OF FTX.COM, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM NOVEMBER 1, 2023, THROUGH JANUARY 31, 2024**

Name of Applicant:	Eversheds Sutherland (US) LLP ("Eversheds Sutherland")
Authorized to Provide Professional Services to:	Ad Hoc Committee of Non-US Customers of FTX.com ("Ad Hoc Committee")
Date of Order Approving Counsel Reimbursement Agreement:	November 15, 2023
Period for Which Compensation and Reimbursement is Sought:	November 1, 2023 through January 31, 2024
Total Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$1,276,656.50
80% of Compensation Sought as Actual, Reasonable and Necessary:	\$1,021,325.20
100% of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$0.00

This is a(n): ☒ monthly ☐ interim ☐ final application

The total time expended for fee application preparation is approximately 6.0 hours and the corresponding compensation requested is approximately \$5,100.²

¹ The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification numbers are 3288 and 4063, respectively. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the debtors' claims and noticing agent's website at <https://cases.ra.kroll.com/FTX>.

² Allowance for compensation for such time is not requested in this application, but will be sought in a subsequent fee application.

COMPENSATION BY INDIVIDUAL DURING THE FEE PERIOD

Name	Title	Practice Group; Date of First Admission	Hourly Rate	Hours Billed	Amount Billed
Broderick, Erin E.	Partner	Finance, 2008	\$1,300.00	185.10	240,630.00
Buchanan, Randy	Partner	Tax, 1989	\$1,505.00	2.50	3,762.50
Paul, Sarah	Partner	Litigation, 2004	\$1,161.61	77.80	90,373.00
Raines, Hunter	Partner	Corporate, 2015	\$875.00	0.90	787.50
Setliffe, Caroline	Partner	Tax, 1999	\$1,265.00	5.70	7,210.50
Partner Total				272.00	342,763.50
Broderick, Erin E.	Senior Counsel	Finance, 2009	\$910.00	421.40	383,474.00
Christian, Edward	Senior Counsel	Finance, 1995	\$1,160.00	15.20	17,632.00
Senior Counsel Total				436.60	401,106.00
DeLoatch, Nathaniel T.	Associate	Finance, 2019	\$743.09	186.00	138,215.50
Howard, Jazmen	Associate	Corporate, 2020	\$650.00	2.00	1,300.00
Monzon Woc, Ana Rocio	Associate	Litigation, 2018	\$655.00	20.80	13,624.00
Rogers, Michael A.	Associate	Finance, 2022	\$733.33	458.80	336,453.50
Spring, Thomas A.	Associate	Litigation, 2021	\$650.00	38.70	25,155.00
Associate Total				706.30	514,748.00
Hirsch, Devorah	Paralegal	Litigation	\$246.40	72.50	17,864.00
Paralegal Total				72.50	17,864.00
Wells, Antoinette	Library Staff	Administrative	\$350.00	0.50	175.00
Library Staff Total				0.50	175.00
Total				1,487.90	\$1,276,656.50

Blended Hourly Rate: \$858.00

COMPENSATION BY PROJECT CATEGORY FOR THE FEE PERIOD

U.S. Trustee Task Code and Project Category	Hours Billed	Fees Billed
B110 Case Administration	13.90	9,599.50
B112 General Creditor Inquiries	66.20	43,918.50
B113 Case Analysis/Pleading Review	320.00	290,144.50
B140 Relief from Stay and Adequate Protection	1.10	1,001.00
B150 Meetings of and Communications with External Stakeholders	10.10	8,431.50
B155 Court Hearing	12.40	12,933.00
B155 Court Hearings	14.40	12,705.50
B160 Fee/Employment Applications	44.90	41,120.00
B190 Other Contested Matters (excluding assumption/rejection motions)	98.30	66,269.00
B195 Non-Working Travel	3.20	4,160.00
B260 Corporate Governance and Board Matters	42.30	33,877.50
B270 AHC Member Communications & Meetings	172.90	146,192.00
B310 Claims Administration and Objections	40.20	29,620.50
B310 KYC Process and Claims Administration	13.10	13,674.00
B320 Plan and Disclosure Statement (including Business Plan)	505.50	451,503.50
B330 Fee Reimbursement Motion	52.70	47,838.00
B410 General Case Strategy	67.50	53,804.50
B450 Case Examiner	9.20	9,864.00
Total	1,487.90	\$1,276,656.50

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April 4, 2024, at 4:00 pm. (ET)

**THIRD MONTHLY FEE STATEMENT OF EVERSHEDS SUTHERLAND (US) LLP, AS
LEAD COUNSEL FOR THE AD HOC COMMITTEE OF NON-US CUSTOMERS OF
FTX.COM, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD
FROM NOVEMBER 1, 2023, THROUGH JANUARY 31, 2024**

Pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [D.I. 435] (the “Interim Compensation Order”), Eversheds Sutherland (US) LLP (“Eversheds Sutherland”), counsel to the Ad Hoc Committee of Non-US Customers of FTX.com (the “Ad Hoc Committee”) retained in the chapter 11 cases (the “Chapter 11 Cases”) of the above captioned debtors and debtors-in-possession (the “Debtors”), hereby submits this third monthly fee statement (this “Monthly Fee Statement”) for compensation of fees and reimbursement of costs and expenses incurred by Eversheds Sutherland for professional services rendered by Eversheds Sutherland during the period from November 1, 2023 through and including January 31, 2024 (the “Fee Period”) for or on behalf of the Ad Hoc Committee in connection with the Chapter 11 Cases. In support of this Monthly Fee Statement, Eversheds Sutherland respectfully states as follows:

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification numbers are 3288 and 4063, respectively. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the debtors’ claims and noticing agent’s website at <https://cases.ra.kroll.com/FTX>.

Jurisdiction

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On November 11 and November 14, 2022, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with this Court. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On February 27, 2024, the U.S. Trustee's Office appointed Robert J. Cleary as examiner, subject to further Court approval.

3. The Ad Hoc Committee was officially formed on December 2, 2022 by a collective group of non-US customers who held accounts on the FTX.com platform. The Ad Hoc Committee, which currently comprises 68 members and is growing, holding approximately \$2.8 billion in aggregate customer entitlements against the Debtors.

4. On December 2, 2022 and December 4, 2022, respectively, the Ad Hoc Committee engaged Eversheds Sutherland and Morris, Nichols, Arsht & Tunnell LLP ("Morris Nichols," and together with Eversheds Sutherland, "Counsel") in connection with these Chapter 11 Cases. Each member of the Ad Hoc Committee has consented to Counsel's representation of the Ad Hoc Committee in these Chapter 11 Cases.

5. Given the indispensable role of the Ad Hoc Committee in advancing joint efforts towards a consensual plan, on October 24, 2023, the Debtors entered into an amended and restated reimbursement agreement (the "Counsel Reimbursement Agreement") with Eversheds Sutherland and Morris Nichols, which amends and restates the reimbursement agreement dated as of August

23, 2023. Pursuant to the Counsel Reimbursement Agreement, the Debtors agreed to pay Counsel in the aggregate for both Eversheds Sutherland and Morris Nichols per month in reasonable and documented fees no more than (i) \$250,000 from May 1, 2023, through July 31, 2023, (ii) \$500,000 from August 1, 2023, through August 31, 2023, (iii) \$750,000 from September 1, 2023, through October 31, 2023, and (iv) \$650,000 from November 1, 2023, through the effectiveness of the Plan. The Counsel Reimbursement Agreement further provides that any unused portion of any monthly fee cap (“Monthly Fee Cap”) for any month shall be carried over on a rolling monthly basis, and any amounts incurred over the Monthly Fee Cap in a given month may be applied to later periods for reimbursement. In addition, the Counsel Reimbursement Agreement provides that the Debtors shall reimburse Counsel for all reasonable out-of-pocket expenses (at cost) from May 1, 2023, through the termination of the Counsel Reimbursement Agreement. Eversheds Sutherland shall have the sole discretion to allocate fees and expenses between Eversheds Sutherland and Morris Nichols such that the monthly fees payable by the Debtors does not exceed any Monthly Fee Cap.

6. On November 15, 2023, the Court entered the *Order Authorizing the Debtors to Enter into, and Perform their Obligations Under, the Reimbursement Agreements* (D.I. 3928) (the “Reimbursement Order”). Such obligations include paying Counsel for all of their outstanding and future reasonable documented fees and expenses in furtherance of the diligence, negotiation, prosecution, documentation and implementation of a comprehensive restructuring of the Debtors in accordance with the terms and conditions of the Counsel Reimbursement Agreement and said Order.

Relief Requested

7. By this Monthly Fee Statement, Eversheds Sutherland seeks: (a) allowance of compensation against each of the Debtors' estates for fees and expenses incurred in the aggregate amount of \$1,276,656.50, and (b) payment in the amount of \$1,021,325.20, representing eighty-percent (80%) of the total amount of fees incurred, in each case, in connection with work performed by Eversheds Sutherland during the Fee Period for or on behalf of the Ad Hoc Committee in connection with the Chapter 11 Cases.

8. Eversheds Sutherland further represents that the total amount of fees it is requesting as compensation for this Fee Period does not exceed the Monthly Fee Cap for Eversheds Sutherland and Morris Nichols in the aggregate, taking into account the ability to carry over unused portions of the Monthly Fee Cap on a rolling monthly basis, as per the terms of the Counsel Reimbursement Agreement.

Compensation Requested

9. Eversheds Sutherland has worked diligently in these complex Chapter 11 Cases to advance the Ad Hoc Committee's purpose, which is:

[T]o, in a cost-efficient and timely manner, maximize recoveries on the claims of members against FTX Trading Ltd. and its affiliated Debtors (collectively, the "Customer Claims") on account of the assets members deposited, held, received, or acquired on the FTX.com platform (collectively, the "Customer Assets"), leveraging, where beneficial, the position that the Debtors have no equitable interest in the Customer Assets and/or that constructive trust theories require priority of distribution on the Customer Claims. Membership is open to all creditors with Customer Claims that are aligned with the Ad Hoc Committee's purpose.

10. Specifically, Eversheds Sutherland's work during the Fee Period included, without limitation, the following:

- Delivering executed Settlement and Plan Support Agreement (“PSA”) joinders of over \$1 billion in customer entitlement claims, in support of the PSA and Plan Term Sheet;
- Playing a significant role in working with the Debtors and the Official Committee of Unsecured Creditors (the “Official Committee”) on an amended plan, focusing on key issues such as the form and method of distribution, the valuation/estimation of digital assets, the KYC process and claims allowance process generally, a possible exit liquidity facility, and a possible rebooted offshore exchange (“FTX 2.0”);
- Consulting with the Debtors on the terms of the settlement with the Joint Official Liquidators in the Bahamas, which has been approved;
- Advocating on behalf of the Ad Hoc Committee with regard to waterfall mechanics and vehicles such as post-petition interest, with the goal of ensuring that FTX.com customers share in the possible upside in estate value;
- Providing a forum open to diverse FTX.com customers for their voices to be heard and their questions and concerns to be addressed by chapter 11 professionals whom many customers would not otherwise have access to; and
- Educating FTX.com customers and taking their informed perspectives into account in formulating and advancing positions in these Chapter 11 Cases.

11. Eversheds Sutherland maintains computerized records of the time spent by all attorneys and paraprofessionals in connection with its representation of the Ad Hoc Committee. A detailed statement of work performed by Eversheds Sutherland in rendering legal services to the Ad Hoc Committee during the Fee Period is attached hereto as **Exhibit A**.

12. The timekeepers who rendered services are identified in **Exhibit A**, along with the total hours and the total compensation sought by each category.

Valuation of Services

13. Attorneys and paraprofessionals of Eversheds Sutherland have expended a total of 1,487.90 hours in connection with its representation of the Ad Hoc Committee during the Fee Period. The amount of time spent by each Eversheds Sutherland timekeeper providing services to the Ad Hoc Committee for the Fee Period is set forth herein and in the attached monthly statement. Eversheds Sutherland respectfully submits that the reasonable value of the services rendered by Eversheds Sutherland to the Ad Hoc Committee during the Fee Period is \$1,276,656.50.

14. Eversheds Sutherland believes that the description of the time entries included in **Exhibit A** attached hereto are in compliance with the requirements of Local Rule 2016-2.

Reasonableness of Compensation

15. All fees and expenses incurred by Eversheds Sutherland during the Fee Period for or on behalf of the Ad Hoc Committee were actual, reasonable and necessary in the performance of Eversheds Sutherland's services. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, all fees and expenses requested by Eversheds Sutherland in this Monthly Fee Statement are reasonable due to (a) the size, nature and complexity of these Chapter 11 Cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, (e) the costs of comparable services other than in a case under chapter 11 of the Bankruptcy Code, and (f) the fact that such fees and expenses were not unnecessarily duplicative of the services performed by other professionals retained by the Ad Hoc Committee.

Compliance and Waiver

16. To the best of Eversheds Sutherland's knowledge, this Monthly Fee Statement complies with Local Rule 2016-2. To the extent that this Monthly Fee Statement does not comply

in all respects with the requirements of Local Rule 2016-2, Eversheds Sutherland believes that such deviations are not material and respectfully requests that any such requirements be waived.

Reservation of Rights

17. To the extent that time or disbursement charges for services rendered or disbursements incurred on behalf of the Ad Hoc Committee during the Fee Period were not inputted, processed or posted before the preparation of, or included in, this Monthly Fee Statement, or Eversheds Sutherland has for any other reason not sought compensation or reimbursement of expenses herein with respect to any services rendered or expenses incurred during the Fee Period on behalf of the Ad Hoc Committee, Eversheds Sutherland reserves the right to request compensation for such services and reimbursement of such expenses in a supplemental or future Monthly Fee Statement.

18. In addition, Eversheds Sutherland does not waive, and expressly reserves, its right to respond to any objections regarding this Monthly Fee Statement and the amounts sought for Eversheds Sutherland's work performed by or on behalf of the Ad Hoc Committee in connection with the Chapter 11 Cases.

Notice and No Prior Request

19. Notice of this Monthly Fee Statement has been given to the following parties or, in lieu of, to their counsel, if known: (a) the U.S. Trustee, (b) the Debtors, (c) the Official Committee, (d) the Fee Examiner, and (e) all parties required to be given notice under the Interim Compensation Order. Eversheds Sutherland submits that no other or further notice is necessary.

20. No prior request for the relief sought in this Monthly Fee Statement for fees and expenses incurred during the Fee Period has been made to this or any other Court.

WHEREFORE, Eversheds Sutherland respectfully requests that the Court approve the Monthly Fee Statement and grant Eversheds Sutherland such other and further relief as the Court deems just and proper.

Dated: March 15, 2024
New York, New York

/s/ Sarah Paul
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*Counsel for Ad Hoc Committee of Non-US
Customers of FTX.com*

CERTIFICATION OF COMPLIANCE WITH LOCAL RULE 2016-2

I, Sarah E. Paul, hereby certify as follows:

1. I am a partner in the applicant firm, Eversheds Sutherland LLP, and have been admitted to the bar of the State of New York since 2006.
2. I have personally performed many of the legal services rendered by Eversheds Sutherland (US) LLP, as counsel for the Ad Hoc Committee, and I am generally familiar with all other work performed on behalf of the Ad Hoc Committee by the lawyers and paraprofessionals in the firm.
3. The facts set forth in the foregoing Monthly Fee Statement are true and correct to the best of my knowledge, information, and belief. Moreover, I have reviewed the requirements of Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware and respectfully submit that the Monthly Fee Statement complies with such requirements.

Dated: March 15, 2024
New York, New York

/s/ Sarah Paul
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